

Notice of Meeting and Agenda Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 31 May 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

KENNETH GRAHAM
Clerk

Membership

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council) and Councillor Collette Stevenson (South Lanarkshire Council)

Councillor John Shaw (Convener): Councillor Paul Di Mascio (Vice Convener)

Video Conferencing

Should any member wish to participate using video conferencing please contact Karen Forrest on 0141 618 7444.

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- | | | |
|----------|---|----------------|
| 1 | Minute | 1 - 6 |
| | Minute of meeting of the Executive Sub-committee held on 26 April 2019. | |
| 2 | Revenue Budget Monitoring | 7 - 10 |
| | Joint report by Treasurer and Director of Scotland Excel. | |
| 3 | Request for Associate Membership - Glasgow West Housing Association Limited | 11 - 12 |
| | Report by Director of Scotland Excel. | |
| 4 | Draft Funding Model Update | 13 - 18 |
| | Report by Director of Scotland Excel. | |
| 5 | Risk Register | 19 - 32 |
| | Report by Director of Scotland Excel. | |
| 6 | Date of Next Meeting | |
| | Note that the next meeting of the Executive Sub-committee will be held at 9.45 am on 21 June 2019 in Glasgow City Chambers. | |



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 26 April 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor John Shaw (Renfrewshire Council); and Councillor Amanda Hawick (Shetland Council).

By Video Conference

Councillor Stephen Thompson (Dumfries and Galloway Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Director, H Carr, Head of Strategic Procurement, and B Philips, Category Analyst (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Graham Hutchison (City of Edinburgh Council); Councillor Alister Mackinnon (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor Collette Stevenson (South Lanarkshire Council).

Declarations of Interest

There were no declarations of interest intimated prior to commencement of the meeting.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 22 March 2019.

In relation to item 8 of the Minute – Legal Challenge: Supply and Delivery of Grounds Maintenance – it was noted that the legal challenge to this contract had been withdrawn and that Scotland Excel would pursue the third party for costs.

DECIDED:

(a) That the Minute be approved; and

(b) That it be noted that the legal challenge to the supply and delivery of grounds maintenance contract had been withdrawn and that Scotland Excel would pursue the third party for costs.

Sederunt

Councillor Buchan entered the meeting during consideration of the following item of business.

2 Projects Update

The Director and the Head of Strategic Procurement of Scotland Excel gave a presentation to members providing an update on the various projects being undertaken by Scotland Excel.

In relation to consultancy with councils, information was provided on the projects being undertaken with Aberdeen City Council, Fife Council, East Renfrewshire Council and the Tayside collaboration which included Perth and Kinross, Angus and Dundee City Councils, Tayside Contracts, and Tayside Procurement Consortium (TPC).

In relation to Scottish Government funded projects, information was provided on the care and support services national framework; the expansion of early learning and childcare and the development of national guidance and templates; and the affordable housing project.

Information was also presented to members on the work being undertaken with the Digital Office; the SEEMiS Group; City Property; Cycling Scotland; and the new build housing framework.

Councillor Thompson requested further information on the pricing methodology for projects and it was agreed that this would be forwarded to Councillor Thompson.

DECIDED:

(a) That the presentation be noted; and

(b) That it be noted that further information on the pricing methodology for projects would be forwarded to Councillor Thompson.

3 Contract for Approval: Supply and Delivery of Building and Timber Materials

There was submitted a report by the Director of Scotland Excel relative to a renewal framework arrangement for the supply and delivery of building and timber materials which would operate from 1 April 2019 (effective date 1 June 2019) until 31 March 2022 with an option to extend for up to 12 months until 31 March 2023.

The report intimated that the framework would provide councils and other participating bodies with a mechanism to procure a range of building and timber materials in support of construction projects, ongoing maintenance schedules and ad-hoc repairs. Building on best practice timber sustainability, this fourth-generation framework enhanced benefits offered to members by introducing lots for kitchen units, kitchen worktops and timber window frames. A new approach of delivering local community benefits had also been incorporated.

The framework had been divided into ten lots as detailed in table 1 of the report and the forecast annual spend for participating councils and associate members was £15 million, equating to £60 million over the term of the framework, including the extension period. It was noted that 31 councils had confirmed their intention to participate in the framework together with City Building Glasgow, Advanced Procurement for Universities and Colleges (APUC), the Scottish Prison Service (SPS) and housing associations and the participation, spend and savings summary for each was detailed in Appendix 1 to the report. Stirling Council had their own arrangement in place until 31 March 2019 and advised that this would be extended.

Tender responses had been received from 25 suppliers and a summary of offers received was provided in Appendix 2 to the report. Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the offers had been completed and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken and in line with the criteria and weightings detailed within the report it was recommended that a multi-supplier framework arrangement be awarded to 23 suppliers across lots one to nine as detailed in Appendix 3 to the report. It was noted that Lot ten, Glazing Materials, had not been recommended for award.

Appendix 4 to the report detailed suppliers with Living Wage status.

DECIDED: That the award of the renewal framework agreement, for the supply and delivery of building and timber materials, for lots one to nine, be awarded as detailed in Appendix 3 to the report.

4 Request for Associate Membership by The Highlands and Islands Transport Partnership

There was submitted a report by the Director of Scotland Excel advising that the Highlands and Islands Transport Partnership Scotland (HITRANS) had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Highlands and Islands Transport Partnership Scotland (HITRANS) to become an associate member of Scotland Excel, at an annual membership fee of £500, be approved subject to completion and signing of the agreement documentation.

5 Update on the Contract Delivery Plan

There was submitted an update report by the Director of Scotland Excel relative to the progress of the 2019/20 contract delivery plan.

The report intimated that the contract delivery plan comprised framework renewals, new developments, framework extensions and frameworks with ongoing contract management only and appendices 1 to 3 to the report provided further details.

The report highlighted that contract delivery remained active with 68 current frameworks in the Scotland Excel portfolio, 13 of which required to be renewed before 31 March 2020; a further eight new frameworks would be added to the contract portfolio by 31 March 2020; and a further 16 frameworks on the current portfolio had extension options that were likely to be exercised in 2019/20, two of which had already been approved.

Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas of adult social care and construction. Scotland Excel had finalised the procurement strategy for care and support services and in 2019/20 would continue to work with a range of partners to implement the procurement strategy. Scotland Excel would also deliver a new sourcing strategy for care home services for older people which would build on current best practice and complement local strategic commissioning plans.

The first-generation new build residential construction framework was progressing well and would support councils to deliver new affordable houses in line with Strategic Housing Investment Plans (SHIPs). The second stage of the two-stage tender procedure had been issued in March 2019 and the procurement exercise remained on course for going live in September 2019.

Work continued in conjunction with the Digital Office to procure a replacement Social Work Care Case Management system and a detailed output specification had been developed. Consultation had taken place with Scottish Government colleagues and suggested amendments had been incorporated to include The Public Bodies (Joint Working) Act 2014, which was a key piece of legislation requiring health boards and local authorities to integrate their health and social care services, and the strategy document now took cognisance of self-directed support (SDS), a major change to the way people with social care needs were supported. The tender documents would be released for publication by the end of April 2019.

It was noted that overall, efficiencies delivered to date were 4.2% which was above the 2% to 4% forecast savings range. It was also noted that the period referred to in the report in relation to the efficiencies delivered to date should be 2019/20 and not 2018/19 as stated.

In relation to Appendix 3 of the report, it was noted that information in relation to the percentage uptake of councils in relation to the Children's Residential contract would be issued to members.

DECIDED:

(a) That the report be noted;

(b) That it be noted that the period referred to in the report, in relation to the efficiencies delivered to date, should be 2019/20; and

(c) That it be noted that information in relation to the percentage uptake of councils in relation to the Children's Residential contract would be issued to members.

6 Employee Absence Management Report

There was submitted a report by the Director of Scotland Excel relative to employee absence statistics for Scotland Excel. The report advised of the absence levels for the period ending 31 March 2019, the previous six and 12 months; and provided information relating to the absence statistics and reasons.

DECIDED: That the report be noted.

7 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 31 May 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.



Scotland Excel

To: Executive Sub-Committee

On: 31 May 2019

Report by:

Joint Report by the Treasurer and the Director

Heading:

Revenue Budget Monitoring Report to 31 March 2019

1. Summary

- 1.1 Scotland Excel has ended the 2018/19 financial year with a small overspend of £3,288 within its Core Operations. This comprises an underspend in expenditure of £2,922 and an under-recovery in income of £6,210. Further detail is provided in Section 4.

2. Recommendations

- 2.1 It is recommended that members note the year-end positions in both Core Operations and Projects detailed within the report.

3. Background

- 3.1 The 2018/19 budget was approved by the Joint Committee in December 2017, with a further change agreed in June 2018. This approved a total drawdown from reserves of £90,000 in the year for Core Operations.
- 3.2 At 31 March 2019, the net expenditure position is a drawdown of £93,288; an overspend for 2018/19 of £3,288.
- 3.3 As reported at Period 9, there were additional pressures in Core Operations in 2018/19 relating to ICT software and telephony, external recruitment support and costs relating to the local government supplier development programme, which supports local spend initiatives. These costs are included within 'Supplies and Services' and 'Support Costs'.

- 3.4 These pressures are offset by a higher than expected underspend in Employee Costs, owing to the prudent management of vacancies. The net result was an underspend in gross expenditure for 2018/19 of £2,922.
- 3.5 Income from requisitions was fully recovered in the year, however a shortfall in income from Crown Commercial Services, as forecast during the year, contributed to an overall under-recovery in gross income of £6,210.
- 3.6 At 1 April 2018, the balance on the Projects Reserve was £264,489.
- 3.7 The Projects ended the year at 31 March 2019 with a surplus of income over expenditure of £422,404. Some of this balance is committed for future Project spend. The detail and management of this balance will be reported in the draft Annual Accounts and brought before the Joint Committee on 21 June 2019.
- 3.8 The following table provides an analysis of the budget and actual spend during 2018/19 and includes a summary of movement in the General Reserve, as well as a Glossary of terms.

SCOTLAND EXCEL
REVENUE BUDGET MONITORING STATEMENT 2018/19
1 April 2018 to 31 March 2019

Description	Agreed Budget 2018/19	Budget adjustments	Revised Budget 2018/19	Actual 2018/19	Variance 2018/19
£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	3,033	0	3,033	3,007	26
Premises Related	176	0	176	176	0
Supplies and Services	222	81	303	316	(13)
Support Services	220	0	220	226	(6)
Transfer Payments	13	0	13	14	(1)
Transport Related	0	0	0	3	(3)
Gross Expenditure	3,664	81	3,745	3,742	3
Requisition Income	(3,484)	0	(3,484)	(3,484)	0
Income from Projects	0	(81)	(81)	(81)	0
Other Income	(90)	0	(90)	(84)	(6)
Gross Income	(3,574)	(81)	(3,655)	(3,649)	(6)
Transfer from Reserves	90	0	90	93	(3)

Summary of in-year Movement in Reserves	£000s
Opening General Reserve at 1 April 2018	(292)
Budgeted Draw on Reserves (approved June 18)	90
Year-end overspend	3
Closing Reserves	(199)

Glossary

Employee Costs: Includes direct employee costs such as salary costs, overtime and indirect employee costs such as training, recruitment advertising

Premises Related: Includes expenses directly related to the running of premises and land, eg rates, rents and leases, utilities, contract cleaning

Supplies and Services: Includes all supplies and service expenses, such as ICT costs, and administrative costs such as stationery, postages, printing and advertising

Support Services: Includes central support charges e.g. Renfrewshire Council SLA and telephony recharges

Transfer Payments: Includes costs of payments for which no good or services are received in return e.g. Apprenticeship Levy

Transport Costs: Includes all costs associated with the provision, hire or use of transport, including travelling allowances, taxi and car hire costs and staff mileage



Scotland Excel

To: Executive Sub Committee

On: 31 May 2019

**Report
by
Director Scotland Excel**

Request for Associate Membership of Scotland Excel by Glasgow West Housing Association Ltd

1 Introduction

In addition to the 32 local authorities who are full members of Scotland Excel, applications can be made for Associate Membership by organisations such as council arms-length organisations, community groups, charities, housing associations and voluntary organisations which are a public body or a body that engages in activities of a public nature.

Organisations apply to Scotland Excel for Associate Membership to allow them to access the frameworks for goods and services which we have in place for our full members. Associates do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

2 Application

Following work carried out as part of a review of procurement capability within the organisation, Glasgow West Housing Association Ltd has applied to Scotland Excel for associate membership.

Glasgow West Housing Association Ltd has 1486 properties across Scotland and is a registered charity, as well as being an accredited living wage employer.

3 Legislative Position

Before any application is submitted for approval, a number of validation checks on the organisation are carried out. These include a review of the Memorandum & Articles of Association, the financial position and the type of contracts that the organisation is likely to access.

Scotland Excel monitors all associate membership requests from arms-length bodies and other organisations to ensure that all legal requirements are fulfilled. In this case, Glasgow West Housing Association Ltd qualifies for membership in accordance with the Local Authorities (Goods and Services) Act 1970 section 1 (1B)(c), namely that the organisation is a person who, not being a public body, has functions of a public nature or engages in activities of

that nature and the purpose or effect of its access to Scotland Excel's services, is to facilitate discharge of those functions or activities.

4 Recommendation

It is recommended to committee that the Glasgow West Housing Association Ltd application to join Scotland Excel as an associate member be approved, at a £2,230 annual fee, subject to completion and signing of the agreement document.

Scotland Excel

To: Executive Sub Committee

On: 31st May 2019

**Report
by
the Director**

Draft Funding Model Update

1. Introduction

This paper provides members with a draft update on the progress made on generating additional funding since the Joint Committee on December 2018. This update covers April 2019 – June 2019.

2. Background

The Revenue Estimates 2018-19 report presented at the Joint Committee on 8th December 2017 and the Funding Model Review at the 29th June 2018 Joint Committee, highlighted the challenging future financial landscape for local government and the impact on Scotland Excel. It was recognised that over the medium term, local government in Scotland is likely to face further contraction in available resources. In this context, Scotland Excel continues to seek operational savings, to manage its financial position flexibly in order to maintain its aim of minimising the level of requisition required, and also to develop value propositions for member authorities to ensure that best value is achieved. A number of funding opportunities were also identified by Scotland Excel and approved by the Joint Committee. These were:

1. Consultancy Services
2. Learning and development
3. Associate Membership Expansion
4. New Build Housing
5. Rebates

All five funding opportunities are progressing with three projects contributing targeted surpluses within the current financial year.

3. Funding Stream Updates

All funding opportunities are now being progressed with an emphasis on the projects that are scheduled to deliver income in the current financial year (FY 19/20).

1. Consultancy Services

Scotland Excel is working on a number of consultancy projects with a pipeline of projects to commence in 2019. This has been an area of growth for the organisation.

Fife Transformation Programme: The programme is approaching its first year anniversary and is on schedule. The programme consists of a number of projects across many aspects of the council's operation. Significant project focus and resourcing is now on the identification and delivery of savings. In addition to savings, the project is prioritising skills development across the existing Fife procurement team to support transition in late 2020.

City Property (Glasgow) LLP: Scotland Excel was engaged by this organisation to operate a mini competition within Crown Commercial Service's Estates Professional Services framework. The scope covers 1800 commercial properties owned by City Properties (Glasgow) LLP and a full property management service for The Lochs shopping centre in Easterhouse. The initial project will complete in mid-2019. Scotland Excel is in discussion with the organisation to provide further services.

Cycling Scotland: The project is designed to put in place a Dynamic Purchasing System (DPS) that will create a list of training suppliers which can be engaged to provide cycling proficiency training at a professional level within the local authority or school. The DPS will be in place by August 2019.

East Renfrewshire Council: Scotland Excel undertook two small pieces of work on behalf of East Renfrewshire Council in the last fiscal year. The work was focussed on providing feedback on the organisation's procurement approach. East Renfrewshire has now commissioned Scotland Excel to undertake a project that is anticipated to start in June 2019 for twelve months.

Aberdeen City Council: This project has now reached completion. The project sought to identify procurement savings across Aberdeen City Council and had two Scotland Excel resources based within the council for a year. Scotland Excel continues to provide ongoing support as part of its standard service offering but no longer has dedicated staff working on the project.

Tayside Procurement: The Tayside Procurement programme is in the initiation stage and has recently appointed two project resources for the programme. The programme involves Scotland Excel working with a collaborative group consisting of Dundee City Council, Perth & Kinross Council and Angus Council and other local partner organisations, to provide a customer centric transformation programme. The project is two years in duration.

The June 2018 Joint Committee approved a surplus target of £70k for Consultancy Services in 2019/20. Based on the current projects underway and scheduled projects, we expect to meet this target. It is anticipated that there is potential to exceed the target which will support the overall target should any of the other funding opportunities fail to meet the agreed targets.

2. Learning & Development – The Academy

The Academy continues to make good progress since the last Joint Committee having concluded 2 programmes in project management, with 13 active programmes spanning procurement, leadership & management and project management. The new PDA in Project Management is co-delivered between The Academy and the Improvement Service.

The Academy is scheduled to launch a new Strategic Leadership & Management Masters-level programme and a new Management Coaching & Mentoring programme in June 2019.

A marketing campaign was launched recently to help build The Academy's profile and create demand for the portfolio of programmes.

The Academy has now been approved to deliver a new Business Analysis, Decision Making & Innovation programme, accredited by the Scottish Qualification Authority (SQA). This HND & Degree level programme fulfils a national gap for business analysts across the public-sector; and supports our collective need for innovation "doing more with less through new ways of working". This programme expands our co-delivery model with the Improvement Service, scheduled for an August 2019 launch.

In parallel to delivering 13 active programmes, we are designing and writing content for 4 programmes – Advanced Practitioner, Strategic Leadership & Management, Management Coaching & Mentoring and Business Analysis, Decision Making & Innovation.

Scotland Excel continues to invest in the Academy to develop the longer term opportunity and provide a more holistic service for local government and the wider public sector. The June 2018 Joint Committee approved a target of £53k for Consultancy Services in 2019/20. Scotland Excel is confident it will reach this target.

3. Associate Member - Expansion

The two-year Scottish Government Affordable Housing project was completed in March 2019. This programme provided Scotland Excel with an opportunity to grow its associate membership in this sector and resulted in an additional £80k of income. Discussions continue with Scottish Government about a further programme in this sector.

At the December 2018 Joint Committee, members approved Scotland Excel's recommendation of a continued focus and dedicated resourcing into the growth of Associate membership. The organisation is formulating a new Associates strategy and anticipates further growth in the housing sector and a new focus into the third sector.

The June 2018 Joint Committee approved a target of £50k for Associate Member expansion in the current financial year. Initial indications are that this will continue to be a challenging target but appropriate measures are being implemented to support its achievement.

4. New Build Housing

Extensive stakeholder engagement has been undertaken with individual contractors, purchasers, Scottish Government, Homes for Scotland, Construction Innovation Centre, Offsite Solutions Scotland (organisation comprising offsite contractors and manufacturers in Scotland) and Construction Industry Training Board (CITB). User intelligence groups were also held with member councils and a strategy produced.

Following an extensive development period and a restricted procurement exercise, 22 tender bids were received from contractors in May. These offers are now being evaluated by the Scotland Excel team and our local authority expert technical panel. This work is scheduled to be concluded in July to enable an award recommendation to be taken to the Executive Sub Committee for approval in August.

The new framework comprises five lots for different project sizes and includes provisions which encourage sustainable and energy efficient housing, advertising of sub-contracting, delivery of community benefits and use of supported businesses and social enterprises.

The New Build framework is scheduled to deliver a contribution to planned surpluses in financial year 2020/21.

5. Rebates

The use of volume rebates within appropriate contracts was approved at the June 2018 Joint Committee. Rebates have been used to varying degree of success across the Scotland Excel portfolio to date. Some frameworks have

had a rebate embedded within the commercial agreement, such as within construction materials, whilst others have offered successful returns on a one-off basis. There is also the view that if rebates are maintained at very modest levels, for example less than c.0.75%, there is no adverse effect on pricing. As part of the internal contract governance process, the applicability of the inclusion of rebates is now standard practice.

Further analysis has been undertaken to review the Scotland Excel portfolio and consider rebate suitability.

The Rebates project is scheduled to deliver a contribution to planned surpluses in financial year 2020/21.

4. Recommendations

Members are asked to note the progress made in this area. Further updates will be presented to future Joint Committees on funding projects including delivery against income targets.



Scotland Excel

To: Executive Sub-Committee

On: 31 May 2019

Report by Director Scotland Excel Risk Register Update

1. Introduction

This report provides an update on the risk register which is maintained to assess threats/risks that could impact on the delivery of Scotland Excel's organisational objectives and to identify actions that have been taken to mitigate these risks.

2. Background

The attached Risk Register was created in June 2018 when Scotland Excel carried out a full review of the organisation's risk register to reflect the new 5 year operating plan. It was agreed that the risk management plan would be reported to the Executive Sub Committee twice a year and the Joint Committee on an annual basis to give elected members visibility of the risks, and actions taken by the organisation to manage those risks.

3. Risk Management update

The risk register is maintained and continues to be a focus for the organisation; a process for regular review is in place including the Senior Management Team meeting quarterly to review, revise and update the register.

The current risk register is attached as an appendix to this report for review by members.

4. Recommendation

Members are invited to provide any feedback on the risk register and the actions identified to manage risks.


Appendix 1:

Risk Register

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 1 Organisational Sustainability Context: <ul style="list-style-type: none"> Potential for local government / organisations withdrawing support Need to attract additional resources Council budget cuts impacting upon use of services provided 	Membership of Scotland Excel is optional for all stakeholders and Scotland Excel must be alert to this and the impact of councils or associate members resigning their membership	JW	<ul style="list-style-type: none"> The organisation has developed a number of projects to offer new services which will greatly increase the benefits to stakeholders. Identifying new opportunities to provide additional chargeable services based on customer demand Ongoing robust market testing of all new shared service propositions Ensure ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts) Continuing to focus on adding value for all member councils There is regular engagement with Chief Execs, Finance Directors and Elected Members to demonstrate the value added by Scotland Excel 	2	5	10	8	↔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 – New risk control measure added around engagement Evaluation and residual impact remain static (Likelihood 2/ Impact 4 for residual risk) 7/5/19 – No changes						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 2 Managing growth and diversity 1. Failure to identify and manage emerging opportunities 2. Inability to evolve service offering in a changing landscape	There is a risk to the long term future of the organisation if it fails to grow the portfolio of services offered to members	SB	<ul style="list-style-type: none"> Regular horizon scanning meetings help to identify market development opportunities and give the organisation the time to plan for capability and capacity. OD strategy and workforce planning tools are used to ensure that Scotland Excel has the right calibre of staff to deliver and grow a quality service offering Innovation management process being developed. Review of market competitors to be refreshed New project opportunities have been won across a number of councils and other public sector bodies. Recruitment underway for a Business Development Officer to seek new income opportunities 	3	4	12	12	↑

Action Ref	Linked Actions	Latest Notes	Assigned to	Due Date	Status		
		5/2/19 3 new risk control measures added (last 3 bullet points) Evaluation and residual impact remain static (Likelihood 2/ Impact 4 for residual risk) Residual risk reduced from 12 to 8 7/5/19 – residual risk increased to 12 as a result of challenges around recruiting and retaining business development resource					

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 3 Political Change	Political change at local, national, UK and international levels which Scotland Excel must be aware of in order to respond to, and maintain services to stakeholders	JW	<ul style="list-style-type: none">• An effective and properly resourced public affairs strategy is in place.• Through effective research, engagement, partnership working and briefings – for example Brexit white paper - it ensures that the organisation is aware of and able to respond to challenges and opportunities in the external environment.• Active participation by the organisation in various groups and boards influencing policy and “direction of travel”.	3	4	12	12	
Context: 1. Legislative changes impact upon the organisation and how it has to operate. 2. Political uncertainty created by, for example, Brexit create unknown challenges								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 Residual risk increased to 12 due to Brexit uncertainty 7/5/19 – no change						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 4 Title: Reputational Risk	Scotland Excel is faced with negative publicity or a media	JW						

Context: 1. Negative publicity or media coverage affects the organisation and impacts stakeholders 2. Negative media reports relating to a framework or service provider.	crisis through a service issue or failure that compromises the organisation's stakeholders		<ul style="list-style-type: none"> Colleagues advise communications colleagues of any potential issues to enable effective planning for "negative" media interest. Pro-active monitoring of press coverage carried out by marketing team and wider organisation. Pro-active and robust engagement with press organisations to ensure positive relationships and coverage Recent PR issues around food and HES (Healthcare Environmental Services) well managed Media training refresher to be arranged for SMT 	3	4	12	8	↔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 1 new risk control measure added around media training. Evaluation and residual impact remain static (Likelihood 2/ Impact 4 for residual risk) 7/5/19 – no change						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 5 Supplier Failure	The failure of a service provider could have significant implications for service provision within member council areas.	HC	<ul style="list-style-type: none"> Effective risk management is in place at development and management of contracts Robust processes for monitoring the financial stability of suppliers is carried out prior to award and throughout the life of a contract Specific measures to meet the management of Social Care contracts and these key areas of risk. Scotland Excel has a range of measures for monitoring supplier resilience in addition to the external financial monitoring tools used. To ensure robust financial evaluation and support for teams external advice for review of financials for suppliers is to be sourced. A new tailored approach to financial risk for high risk contracts has been implemented 	4	5	20	20	↑
Context: 1. Financial (and other) factors impacting on resilience of suppliers 2. Negative reputational results across the portfolio from potential breach of contract and / or supplier failure 3. Focus required in areas which have a direct impact on delivery as a result of business failure.								

			<ul style="list-style-type: none"> • Review of 'step-in rights' terms and conditions is underway • Revisit conversations with key stakeholders about monitoring financial risk in the care home sector 					
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 2 new risk control measures added to source additional support for forensic accounting, and review 'step-in right' terms within relevant contracts. Evaluation and residual impact remain static (Likelihood 3/ Impact 5 for residual risk) 7/5/19 1 new risk control measure added around monitoring financial risks in care Residual risk increased to 20 as a result of care home financial sustainability risks in light of Four Seasons position						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 6 Staff Recruitment and Retention Context: 1. Demand in the market for staff makes recruiting and retaining staff problematic. 2. Build credibility beyond procurement professionals to cover other areas including the Academy.	Scotland Excel encounters problems in recruiting and retaining staff of suitable skill, quality and experience to deliver the operating plan	SB	<ul style="list-style-type: none"> • Recruitment processes reviewed and updated • PRD process reviewed in consultation with the Scotland Excel staff to implement a new model. • Successful recruitment campaigns including events to be replicated. • Measures implemented to support retention including secondment opportunities and projects to enrich roles. • Exit interview process to be reviewed and issues escalated • Staff turnover figures to be collated and monitored • Enhanced organisational reputation through events, partnerships and marketing. • Review of job specs and person profiles to be completed • Work from Investors in People report to be carried out. Aspire to move from Silver to Gold accreditation 	3	3	9	9	↔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 2 new risk control measures added – a review of the exit interview process, and a need to better monitor staff turnover figures. Residual risk increases from 6 to 9 in light of retention challenges throughout the sector. 7/5/19						

		Two new risk control measures added – a review of job specs and person profiles. Work underway to implement actions from Investors in People process					
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Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 7 Corporate Social responsibility Context: 1 Ensure that where possible community benefits can be delivered as part of the contract portfolio. 2 Ethical sourcing of products and supplies in the whole supply chain.	Scotland Excel may not be seen as an industry leader in how it addresses key aspects of corporate social responsibility with an associated negative impact upon our stakeholders.	HC	<ul style="list-style-type: none"> Management and reporting of Community Benefits has been developed and embedded. Community benefit requirements are issued to suppliers at tender stage and a register of the community benefits subsequently delivered will be used to assist in future tender scoring. Marketing actively promote the community benefits in our contracts. Scotland Excel has secured accreditation as a Living Wage Employer and this will be used to raise awareness with suppliers and stakeholders. Workforce matters and living wage considerations are built in at strategy stage Ethical sourcing strategies are provided by suppliers as part of the tender process as a control measure where appropriate. The Sustainable procurement strategy is being implemented which will reflect areas of work already in use or in development. MCR Pathways presented to the Scotland Excel team and a number of staff have agreed to become mentors for children in various schools Scotland Excel have joined with Founders 4 Schools who encourage local employers to empower young people with career development such as taking part in CV writing, mock interviews or work experience placements. 	2	4	8	6	↔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19						

		Residual risk remains static at 6 (Likelihood 2/ Impact 3) 7/5/19 Two new control measures added – work with MCR pathways and Founders for Schools					
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Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 8 Risk of not performing/ delivering	Scotland Excel fails to perform in line with customer expectations.	SB	<ul style="list-style-type: none">• Approved 5 years strategy and one year operating plan in place.• A range of KPIs currently exist at contract and organisational level. These are regularly reviewed• Regular operating plan updates to Executive subcommittee to ensure robust governance.• Regular financial period review and reporting across core and projects.• Business continuity approach ensures that the organisation and its systems is able to operate effectively remotely• Scotland Excel are providing new and improved services to member councils on an ongoing basis.• Review of member infographic underway	3	4	12	8	
Context: 1. Failure to deliver in line with member council expectation 2. System failures impact on the ability of the organisation to deliver services 3.Increasing member expectations as financial challenges increase								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 New risk control measure included to recognise new and improved services offered to member councils. Residual risk remains static at 8 (likelihood 2/ Impact 4) 7/5/19 New risk control measure added – review of SXL infographic						

Appendix 1:

Risk Register

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 1 Organisational Sustainability Context: <ul style="list-style-type: none"> Potential for local government / organisations withdrawing support Need to attract additional resources Council budget cuts impacting upon use of services provided 	Membership of Scotland Excel is optional for all stakeholders and Scotland Excel must be alert to this and the impact of councils or associate members resigning their membership	JW	<ul style="list-style-type: none"> The organisation has developed a number of projects to offer new services which will greatly increase the benefits to stakeholders. Identifying new opportunities to provide additional chargeable services based on customer demand Ongoing robust market testing of all new shared service propositions Ensure ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts) Continuing to focus on adding value for all member councils There is regular engagement with Chief Execs, Finance Directors and Elected Members to demonstrate the value added by Scotland Excel 	2	5	10	8	↔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 – New risk control measure added around engagement Evaluation and residual impact remain static (Likelihood 2/ Impact 4 for residual risk) 7/5/19 – No changes						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 2 Managing growth and diversity <ol style="list-style-type: none"> Failure to identify and manage emerging opportunities Inability to evolve service offering in a changing landscape 	There is a risk to the long term future of the organisation if it fails to grow the portfolio of services offered to members	SB	<ul style="list-style-type: none"> Regular horizon scanning meetings help to identify market development opportunities and give the organisation the time to plan for capability and capacity. OD strategy and workforce planning tools are used to ensure that Scotland Excel has the right calibre of staff to deliver and grow a quality service offering Innovation management process being developed. Review of market competitors to be refreshed New project opportunities have been won across a number of councils and other public sector bodies. Recruitment underway for a Business Development Officer to seek new income opportunities 	3	4	12	12	↑

Action Ref	Linked Actions	Latest Notes	Assigned to	Due Date	Status		
		5/2/19 3 new risk control measures added (last 3 bullet points) Evaluation and residual impact remain static (Likelihood 2/ Impact 4 for residual risk) Residual risk reduced from 12 to 8 7/5/19 – residual risk increased to 12 as a result of challenges around recruiting and retaining business development resource					

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 3 Political Change Context: 1. Legislative changes impact upon the organisation and how it has to operate. 2. Political uncertainty created by, for example, Brexit create unknown challenges	Political change at local, national, UK and international levels which Scotland Excel must be aware of in order to respond to, and maintain services to stakeholders	JW	<ul style="list-style-type: none"> An effective and properly resourced public affairs strategy is in place. Through effective research, engagement, partnership working and briefings – for example Brexit white paper - it ensures that the organisation is aware of and able to respond to challenges and opportunities in the external environment. Active participation by the organisation in various groups and boards influencing policy and "direction of travel". 	3	4	12	12	↔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 Residual risk increased to 12 due to Brexit uncertainty 7/5/19 – no change						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 4 Title: Reputational Risk	Scotland Excel is faced with negative publicity or a media	JW						


Context: 1. Negative publicity or media coverage affects the organisation and impacts stakeholders 2. Negative media reports relating to a framework or service provider.	crisis through a service issue or failure that compromises the organisation's stakeholders		<ul style="list-style-type: none"> Colleagues advise communications colleagues of any potential issues to enable effective planning for "negative" media interest. Pro-active monitoring of press coverage carried out by marketing team and wider organisation. Pro-active and robust engagement with press organisations to ensure positive relationships and coverage Recent PR issues around food and HES (Healthcare Environmental Services) well managed Media training refresher to be arranged for SMT 	3	4	12	8	↔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 1 new risk control measure added around media training. Evaluation and residual impact remain static (Likelihood 2/ Impact 4 for residual risk) 7/5/19 – no change						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 5 Supplier Failure	The failure of a service provider could have significant implications for service provision within member council areas.	HC	<ul style="list-style-type: none"> Effective risk management is in place at development and management of contracts Robust processes for monitoring the financial stability of suppliers is carried out prior to award and throughout the life of a contract Specific measures to meet the management of Social Care contracts and these key areas of risk. Scotland Excel has a range of measures for monitoring supplier resilience in addition to the external financial monitoring tools used. To ensure robust financial evaluation and support for teams external advice for review of financials for suppliers is to be sourced. A new tailored approach to financial risk for high risk contracts has been implemented 	4	5	20	20	↑
Context: 1. Financial (and other) factors impacting on resilience of suppliers 2. Negative reputational results across the portfolio from potential breach of contract and / or supplier failure 3. Focus required in areas which have a direct impact on delivery as a result of business failure.								

			<ul style="list-style-type: none"> • Review of 'step-in rights' terms and conditions is underway • Revisit conversations with key stakeholders about monitoring financial risk in the care home sector 					
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19 2 new risk control measures added to source additional support for forensic accounting, and review 'step-in right' terms within relevant contracts. Evaluation and residual impact remain static (Likelihood 3/ Impact 5 for residual risk) 7/5/19 1 new risk control measure added around monitoring financial risks in care Residual risk increased to 20 as a result of care home financial sustainability risks in light of Four Seasons position						


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Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		5/2/19						

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